CITY OF
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CALIFORNIA

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WEST HILLS NEIGHBORHOOD COUNCIL

FINAL
SPECIAL BOARD MEETING MINUTES
February 20, 2020

Chaminade College Preparatory, West Hills CA

ATTENDANCE

Present: Aida Abkarians, Faye Barta, Sandi Bell, Thomas Booth, Dan Brin, Bob Brostoff, Margery Brown, Bonnie Klea, Ann Mizrah, Saif Mogri, Steve Randall, Charlene Rothstein, Myrl Schreibman, Ron Sobel, Bobbi Trantafello, Joan Trent, Alec Uzemeck, Brad Vanderhoof, Zach Volet, and Joanne Yvanek-Garb.

Absent: Anthony Brosamle, Carolyn Greenwood, Olivia Naturman, Bill Rose, and Tony Scearce

OPENING BUSINESS

President and Co-Chair Dan Brin called the meeting to order at 7:02 p.m. acting secretary Brad Vanderhoof called roll and established quorum**.**

PUBLIC COMMENT

Performers from 'That Guy and Gal' show stated their enthusiasm to participate in the 2020 Springfest by leading a drum circle. They have done this at Springfest in previous years.

OLD BUSINESS

20-0032 – Discussion and possible action on a draft letter to Governor Newsom and City Attorney Feuer re: Allowing Neighborhood Councils to Directly Access State and federal Legislators on Legislative Matters: Zach related his instructions from EmpowerLA and the Office of the City Attorney that NCs are not to contact government officials who are not L.A. City officials and all correspondence should be directed to the NC's City Councilmember. Officials from other levels of government routinely come to NC meeting and ask for feedback and request ideas be sent to their offices. Zach Volet read from the City Charter and noted it does not forbid contacting any government officials.

Draft letter was approved with twenty (20) yes votes, and five (5) absent.

20-0033 – Discussion and possible Action on a draft letter to request a City Council Resolution supporting "Required Salary Disclosure" legislation be added to the 2020 California Assembly Legislative Agenda:

Draft letter was approved with eighteen (18) yes votes, two (2) no votes and five (5) absent.

20-0034 -- Discussion and possible action on a draft letter to request a City Council Resolution supporting "Just Cause Termination Protections" legislation be added to the 2020 California Legislative Agenda:

Saifuddin Mogri left at 7:33

Draft letter was NOT approved with eight (8) yes votes, eight (8) no votes, three (3) abstentions and six (6) absent.

20-0035 – WITHDRAWN – redundant to Item 20-0034

20-0036 – Discussion and possible action on submitting a Community Impact Statement (CIS) on CF 19-1470, Establishment of the Office of Racial Equality (ORE)

CIS in support was approved with nine (9) yes votes, six (6) no votes, three (3) abstentions, and seven (7) absent.

20-0037 – Discussion and possible action on submitting a Community Impact Statement (CIS) on CF 19-0002-S115, Just Cause Evictions/Tenant Protections

CIS in support was approved with ten (10) yes votes, seven (7) no votes, two (2) abstentions, and six (6) absent.

20-0038 – Discussion and possible action on submitting a Community Impact Statement (CIS) on CF 19-0002-S135, Secure and Fair Enforcement (SAFE) Banking Act

CIS in support was approved with nine (9) yes votes, six (6) no votes, four (4) abstentions, and six (6) absent.

NEW BUSINESS

20-0039 – Discussion and possible action on approving an Event Approval Form for the 13th Annual Springfest with no cost to the WHNC, only as a co-sponsor

Bob Brostoff explained the listing of WHNC as the main sponsor on the form is a mistake and will be corrected.

Event Approval Form was approved with sixteen (16) yes votes, zero (0) no votes, three (3) abstentions, and six (6) absent.

Meeting adjourned at 8:00 p.m. (est.)

Draft Letter to City Attorney Feuer re: **Allowing Neighborhood Councils to Directly Address State and Federal Legislators on Legislative Matters**

February 6, 2020

Honorable Mike Feuer
City Attorney, Los Angeles
City Hall East
200 N. Main Street, 8th Floor
Los Angeles, CA 90012

Dear City Attorney Feuer:

The West Hills Neighborhood Council formally requests that the City Attorney's office revise the memorandum on "Neighborhood Councils and Ballot Measures / Lobbying / State and Federal Legislation" to explicitly allow Neighborhood Councils to advocate their positions on state and federal legislation directly to state and federal officials, including any non-city government agencies, responsible for the legislation, or governmental agency interpretation, at issue.

Specifically, we ask that the City Attorney rescind, in full, the following guidance:

- "Neighborhood Councils may not advocate their positions on state and federal legislation to non-City governmental agencies. (Only the Mayor and the City Council have power over intergovernmental relations, which include advocating the City's position on laws that are pending with state or federal agencies or before the state legislature or federal government.)," and
- "Neighborhood Councils may not advocate their positions to non-Coty [sic] governmental agencies because Neighborhood Councils, pursuant to the Charter, are advisory to the *City's* decision makers."

Additionally, we ask that the City Attorney advise Neighborhood Councils with the following guidance:

- "Neighborhood Councils may advocate their positions on state and federal legislation to the state or federal legislators who represent the state or federal district in which the Neighborhood Council exists," and
- "Neighborhood Councils may advocate their positions to Non-City governmental agencies because these agencies shape policy and procedure that affects the constituency whom Neighborhood Councils represent."

In December 2019, the West Hills Neighborhood Council was visited by Nikki Perez, a representative of Assemblyman Jesse Gabriel's office. Ms. Perez informed our Council that Assemblyman Gabriel's office was in the process of crafting their 2020 Legislative Agenda, and that the "Public Comment" period, where the public can weigh-in on what legislative items they would like added to that agenda, ended on February 23, 2020.

Ms. Perez subsequently urged our Council to reach out to Assemblyman Gabriel's office for any proposals we would like added to that agenda.

Under the City Attorney's guidance, we are, outrageously, prohibited from taking any such action.

In fact, according the guidance offered, our only options to voice our opinion on proposed legislation is to either (1) ask our City Councilperson to advocate for legislation that currently does not exist, and

which he/she will have no responsibility nor ability to create at a state level, or (2) ask our City Councilperson to forward a letter to our state Legislator(s), rendering he/she little more than an intermediary messenger.

The West Hills Neighborhood Council finds this situation completely unacceptable and believes that this is a direct attempt to cripple Neighborhood Councils' ability to advocate causes directly to their own elected representatives.

Consider the following scenarios:

1. **A City Councilperson resigns from office, leaving their seat vacant.**

   If the Neighborhood Council has no current Councilperson, and they are barred from directly advocating to their state or federal legislator, how do they advocate on state or federal legislative issues, or government agency interpretations, if they do not have a Councilperson as a conduit? In this scenario, Neighborhood Councils are left without a voice on pressing matters through no fault of their own, and, according to the guidance of the City Attorney's office, will not have any ability to advocate to their state or federal legislators until a new City Councilperson is seated.

   Neighborhood Councils should not be ignored because their City Council seat is currently vacant.

2. **A City Councilperson disagrees with a Neighborhood Council's advocacy position and refuses to act as a conduit to the state or federal legislator representing the Neighborhood Council at a state or federal level.**

   If a City Councilperson decides that it is personally or politically expedient for him/her to ignore the advocacy of a Neighborhood Council, and refuses to pass on any concerns or legislative advocacy to the state or federal legislators representing a Neighborhood Council, the Council's voice has effectively been suppressed, and their ability to advocate on behalf of their constituents is nonexistent. In instances where Neighborhood Councils feel their voices have been ignored or suppressed by the City Councilperson elected to represent them, under the current guidance, there is no recourse or ability to appeal directly to a state or federal legislator who represents the Neighborhood Council.

   No City Councilperson should have this much control over the voice of any constituent, let alone the collection of constituents elected to Neighborhood Councils to represent their local communities.

3. **A City Councilperson is derelict in their responses to, or in actions on behalf of, Neighborhood Councils, causing critical deadlines on legislative issues to be missed.**

   If a City Councilperson misses critical deadlines for Public Comment, such as the Public Comment period for an upcoming legislative agenda, then Neighborhood Councils have lost their ability to voice their concerns or support for critical legislative issues that affect their constituents. Moreover, the cause of this suppression would be nothing more than a matter of inefficient bureaucratic protocol, easily avoidable if Neighborhood Councils were able to advocate directly to the state and federal legislators responsible for the matters considered.

Why should Neighborhood Councils who make efforts to meet deadlines on important state and federal legislative matters be held hostage by the same effort, or lack thereof, to meet the same deadlines by their City Councilperson?

Neighborhood Councils should not be artificially constrained in their ability to address pressing legislative matters by being required to rely on the prompt actions of Councilpersons.

The West Hills Neighborhood Council does not believe any of these scenarios are acceptable. We believe it is our duty to our constituents to be able advocate on their behalf to the state and federal legislators, and regulatory agencies, who are directly responsible for enacting legislative agendas and regulatory guidelines, and to do so in a prompt and expedient manner.

Constraining Neighborhood Councils by forcing them to address matters that are solely the responsibility of state or federal legislators through the City Council causes unnecessary bureaucratic delays, forces Neighborhood Councils to address their concerns to a level of government that has no jurisdiction or control over the state or federal legislative issues being addressed, and leaves open the opportunity for those matters to be ignored for purely political reasons. These situations are anathema to the very system of Neighborhood Council representation.

Charter Article IX, Section 900, which expressly lays out the Purpose of the Department of Neighborhood Empowerment, and the creation of the Neighborhood Council system, states:

> "To promote more citizen participation in government and make government more responsive to local needs, a citywide system of neighborhood councils, and a Department of Neighborhood Empowerment is created. Neighborhood councils shall include representatives of the many diverse interests in communities and shall have an advisory role on issues of concern to the neighborhood."

We can think of few participatory actions that may have greater and farther-reaching impact than direct proposals for legislation that will affect tens of millions of Californians. In order for these interactions to operate with peak efficiency, direct communication between the Neighborhood Councils and their state and federal legislators is vastly superior to a system that requires the Councils to communicate and respond through the City Council as an intermediary.

Additionally, "issues of concern to the neighborhood" do not necessarily end at the boundaries of our community, nor the city-limits of Los Angeles. In order for Neighborhood Councils to fulfil their stated advisory capacity, we must be able to follow those unconstrained issues of concern to their logical destination, especially when that logical destination is responsible for any and all actions on those issues of concern. In this instance, that destination is direct advocacy to the state legislature.

Most importantly, nowhere in the Department of Neighborhood Empowerment Charter does it explicitly prohibit Neighborhood Councils from directly contacting state and federal legislators who represent them, or non-city government agencies. Similarly, nowhere in the Charter are Neighborhood Councils restricted to communications solely with the City Council and its members. In fact, Neighborhood Councils are a separate, non-subordinate branch of local government, and therefore should not be under any obligation to channel their communications through City Council representatives.

We ask that you urgently revise the guidance on these issues so that Neighborhood Councils are free to make formal legislative requests to the legislators that represent them prior to the end of the Public Comment period for the upcoming 2020 Legislative Session.

Respectfully yours,

West Hills Neighborhood Council Board of Directors

Draft Letter to Request the City Council add Support for **"Required Salary Range Disclosure"** Legislation in the Los Angeles City Council 2020 Legislative Plan

February 6, 2020

Honorable Nury Martinez
Council President, Los Angeles
200 N. Spring St.
Suite 470
Los Angeles, CA 90012

Honorable John Lee
Councilman, Los Angeles
200 N. Spring St.
Room 405
Los Angeles, CA 90012

RE: Adding "Required Salary Range Disclosures for All Jobs Posted Online" to the Los Angeles City Council 2020 Legislative Plan

Dear Council President Martinez and Councilman Lee:

The West Hills Neighborhood Council would like to request that the Los Angeles City Council add support of "Required Salary Range Disclosure for All Jobs Posted Online" to their 2020 Legislative Plan.

Specifically, we ask the City Council to support the West Hills Neighborhood Council's proposal to amend the California Labor Code, Section 432.3, requiring Employers who post jobs online to disclose the Salary Range for the position, instituting penalties for non-compliance, and closing loopholes that allow Employers to circumvent these laws using third-party job boards.

In 2017, the California Assembly passed AB 168, which amended The California Labor Code to prohibit Employers from seeking salary history information and require Employers to provide the pay scale for a position to an applicant applying for employment upon request. This was an important step in helping employment applicants avoid, effectively, bidding against themselves during a job search.

Unfortunately for Californians, Angelinos, and West Hills residents, there are no enforcement mechanisms in place to ensure these provisions are being met, no penalties for companies who fail to meet these provisions, no specific language in the amended Labor Code that explicitly prohibits employers from circumventing these salary disclosure prohibitions by using third-party job boards to solicit this information, and no avenue for redress for Applicants victimized by Employers' failures to comply.

When contacted about these infractions, Employees at the Labor Standards Enforcement Office were unaware of either of the provisions in AB 168 mentioned above and were similarly unaware of any potential actions that could be taken against the Employers once notified of non-compliance. If those responsible for enforcing labor

(p) If an applicant voluntarily and without prompting discloses salary history information to a prospective employer, nothing in this section shall prohibit that employer from considering or relying on that voluntarily disclosed salary history information in determining the salary for that applicant.

(q) Consistent with Section 1197.5, nothing in this section shall be construed to allow prior salary, by itself, to justify any disparity in compensation.

Please consider formally adding support of these amendments to the California Labor Code in the Los Angeles City Council 2020 Legislative Plan.

Thank you for your time and attention, we hope to hear from you soon.

Respectfully,

West Hills Neighborhood Council Board of Directors

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[1] Chatzky, Jean, "Job-hopping is on the rise. Should you consider switching roles to make more money?", *NBC News,* April 24, 2018, www.nbcnews.com/better/business/job-hopping-rise-should-you-consider-switching-roles-make-more-ncna868641.

[2] Cole, Lauren Lyons, "The key to earning more money may be switching jobs — and this chart proves it," *Business Insider*, August 24, 2017, www.businessinsider.com/earn-more-money-switching-jobs-2017-7.

[3] Gillespie, Patrick, "People who switch jobs get paid more," *CNN Business*, November 7, 2017, money.cnn.com/2017/11/07/news/economy/job-openings/index.html

[4] Keng, Cameron, "Employees Who Stay In Companies Longer Than Two Years Get Paid 50% Less," *Forbes*, June 22, 2014, www.forbes.com/sites/cameronkeng/2014/06/22/employees-that-stay-in-companies-longer-than-2-years-get-paid-50-less/#ef2ef6be07fa

[5] Barrera, Jennifer, "Seeking Salary History May Be Banned," *CalChamber Advocacy*, May 25, 2017, advocacy.calchamber.com/2017/05/25/seeking-salary-history-may-be-banned/.

[6] Delaware Labor General Provisions > Del. Code Tit. 19, § 709B(h)(1))

Draft Letter to Request the City Council add Support for **"'Just Cause' Termination Protections"** Legislation in the Los Angeles City Council 2020 Legislative Plan

February 6, 2020

Honorable Nury Martinez
Council President, Los Angeles
200 N. Spring St.
Suite 470
Los Angeles, CA 90012

Honorable John Lee
Councilman, Los Angeles
200 N. Spring St.
Room 405
Los Angeles, CA 90012

RE: Adding "'Just Cause' Termination Protections" to the Los Angeles City Council 2020 Legislative Plan

Dear Council President Martinez and Councilman Lee:

The West Hills Neighborhood Council would like to request that the Los Angeles City Council add support of "'Just Cause' Termination Protections" to their 2020 legislative plan.

Specifically, we ask they City Council to support the West Hills Neighborhood Council's proposal to amend the existing California Labor Code by adding protective provisions regarding termination for "At Will" workers, the vast majority of employees, by requiring "Just Cause" Termination Protections.

Nearly 80%[1] of Americans live paycheck to paycheck, with 60% having less than $500[2] in savings. Additionally, since federal efforts to expand a single-payer health coverage system have been unsuccessful, Americans' health care coverage remains tied to employment.

These same circumstances apply to Californians, Angelinos, and West Hills residents, and are major contributors to our homelessness crisis.

In essence, the very *maintenance of employment* becomes the thinnest line[3] between shelter and homelessness, between health care coverage and no access to care.

With our entire system predicated on the dependency on employment for shelter and health care, how do we, as the state that often drags the rest of the nation forward, offer our residents so little protection from losing their employment and all that comes with it?

In California, employers are allowed to fire their employees for any reason, or no reason at all. They are not required to give justification, nor warning, nor are they required to try to take corrective actions for underperforming or struggling employees.

This inequality of labor power, and the dire consequences that may result from it, should be something we address in the upcoming legislative session.

part and for purposes of this subsection the employer's internal procedures are considered exhausted. The limitation period in subsection (a) is tolled until the procedures are exhausted. In no case may the provisions of the employer's internal procedures extend the limitation period in subsection (a) more than 120 days.

c. *If the employer maintains written internal procedures under which an employee may appeal a termination within the organizational structure of the employer, the employer shall within 7 days of the date of the termination notify the terminated employee of the existence of such procedures and shall supply the terminated employee with a copy of them. If the employer fails to comply with this subsection, the terminated employee need not comply with subsection (b).*

VII. ***Exemptions.*** *This part does not apply to a termination:*

a. *that is subject to any other state or federal statute that provides a procedure or remedy for contesting the dispute. The statutes include those that prohibit termination for filing complaints, charges, or claims with administrative bodies or that prohibit unlawful discrimination based on age, color, race, gender, religion, sexual orientation, disability, country of origin, etc.*

b. *of an employee covered by a written collective bargaining agreement or a written contract of employment for a specific term.*

VIII. ***Preemption of common-law remedies.*** *Except as provided in this part, no claim for termination may arise from tort or express or implied contract.*

We believe that adding these safeguards that Employers must meet to justify termination will have a massively positive effect on California Employees' morale and sense of security in employment.

More importantly, these protections will create a buffer between the possibility of homelessness and loss of health coverage; two of the most common, and most devastating, outcomes of victims of "At Will" employment terminations. In fact, some studies have show that Job Loss is the number one contributing factor to homelessness at nearly 25% of those surveyed.[8] In this time of crisis for Los Angeles, we need to be addressing the root causes of homelessness.

Please consider formally adding support of these amendments to the California Labor Code in the Los Angeles City Council 2020 Legislative Plan.

Thank you for your time and attention, we hope to hear from you soon.

Respectfully,

West Hills Neighborhood Council Board of Directors

19-1470

Establishment of the Office of Racial Equity (ORE)

File # :	19-1470
Title :	Establishment of the Office of Racial Equity (ORE)
Type :	Motion
City/State :	Los Angeles City Council

Summary :	The City of Los Angeles is moving forward with initiatives to address and transform the harm that has resulted from racial inequities produced by past, present, and future policies, practices, and programs. Los Angeles is one of the most diverse cities in the world, and while the City's greatest strength is its diversity, ignoring its historical and present divisions would be a disservice to all Angelinos. In many instances, these inequities remain when controlling for factors including socioeconomic status. These inequities are not accidental – they are the result of various historic, systemic, and socioeconomic factors, including biased and discriminatory government decisions, policies, and practices. The City's government can, and should, play a role in addressing racial disparities, especially at a time when demographic shifts, changes in neighborhoods, current upcoming development projects, and future policies can exacerbate racial inequities even further. If Los Angeles is to live up to its civic ideals, it must move to become a model city that addresses racial inequity in a constructive and proactive way, and establish racial equity as a core principle within all aspects of City government including services, programs, policies, and allocation of budget resources. Currently, various City offices and departments are incorporating measures and initiatives to address racial inequities in their respective areas; however, no centralized hub exists to coordinate these efforts, monitor progress, and maximize racial equity impacts for Los Angeles as a whole.

Motion :	**WE THEREFORE MOVE**, that the City Council INSTRUCT the Chief Legislative Analyst (CLA) and the City Administrative Officer (CAO) to report back on establishing an Office of Racial Equity (ORE) that would have the mission of ensuring that the City plays a proactive role in advancing racial equity through policy and programs. **WE FURTHER MOVE**, that as part of the report, the CLA/CAO include a review of offices of equity and related offices in other jurisdictions to inform the scope of work and structure for the proposed ORE and consult community partners leading racial equity work in L.A. through the embRACE LA initiative. **WE FURTHER MOVE**, that the CLA/CAO report include an analysis of the staffing and budget required for the ORE to have at a minimum, five functions: 1. **Policy analysis and research**: Assess the racial equity impact of existing and/or proposed policies and/or practices applicable to any City or departmental decision, including the development and application of a Racial Equity Impact Tool and an Equitable Budgeting Tool. 2. **Data Monitoring, Tracking, and Evaluation**: Work with City staff to establish and publicly share key racial equity indicators that it would regularly monitor and track via a racial equity dashboard and an annual racial equity report. 3. **Civic engagement**: Improve the civic engagement of populations and communities that have historically low rates of participation. Specifically, collaborate with residents, elected officials, City departments, and City commissions to improve the standards and implement policies and practices that make public participation opportunities more accessible. Coordinate and facilitate trainings for residents in their communities to build their civic capacity, civic knowledge, and sense of political empowerment.

	4. **Technical assistance and training**: Support the training of LA City staff on racial equity, such training would provide an overview of key racial equity concepts including, but not limited to, the history of inequality and discrimination, systemic racism, implicit bias, the role of local government in racial equity and the current state of racial equity in Los Angeles. Furthermore, provide technical 5. **Community Racial Equity Advisory Committee**: Staff and coordinate a Community Advisory Committee (Committee) that would serve to inform and advise the work of the ORE, as well as hold it accountable to communities most impacted by racial inequities. The Committee would review the racial equity action plan, racial equity impact assessments, and data presented in the racial equity dashboard. Members of the Committee would consist of community residents most impacted by racial inequities.

GR Position :	The Government Relations Committee UNANIMOUSLY SUPPORTS a CIS in Favor of the Motion
Vote :	7 "Yes," 0 "No," 0 "Abstain"

"**YES**" Vote:	A "**YES**" vote would be **in <u>favor</u> of a CIS to <u>support</u> the Motion** to conduct a REPORT on various aspects of on the establishment of the ORE. **YES = YES on the Motion**

"**NO**" Vote:	A "**NO**" vote would be **in <u>opposition</u> to a CIS in support of the Motion** to conduct a REPORT on various aspects of the establishment of the ORE. **NO = NO on the Motion**

MOTION

As we move forward an initiative for the City of Los Angeles (L.A.) to proactively address and transform the harm that has resulted from racial inequities produced by past, present, and future policies, practices, and programs, it is important to put into context that Los Angeles sits on land inhabited by people many years before it was established.

In so doing, we use this moment to recognize and acknowledge the Yaavitam, the first people of this ancestral and unceded territory of Yaangna that we now know as Downtown Los Angeles. We honor their elders, past and present, and the Yaavitam descendants who are part of the Gabrieleño Tongva and the Fernandeño Tataviam Nations. The City of Los Angeles acknowledges the Tongva peoples as the traditional land caretakers of Tovaangar (Los Angeles basin, So. Channel Islands and San Fernando Valley). We pay our respects to Honuukvetam (Ancestors), 'Ahiihirom (Elders), and 'eyoohiinkem (our relatives/relations) past, present and emerging as we advance this motion to establish racial equity as a core priority for the City.

The City of Los Angeles is one of the most diverse and vibrant cities in the world. A majority of L.A.'s residents are People of Color (POC). Our diversity is our city's greatest strength, yet to ignore the divisions in our city would be a disservice to all Angelenos. For example, compared to White Angelenos, POC experience inequities in housing, education, poverty, policing, employment, and civic engagement. In most instances, these inequities remain when controlling for other factors including socioeconomic status. According to Race Counts,racial disparities are rampant in the City of Los Angeles:

- Blacks/African Americans have the lowest median household income ($32,256).
- American Indians/Alaska Natives have the highest percentage of denied mortgage applications (27.3%).
- Latinx have the highest contaminant score due to exposure to toxic releases (6229.5).
- Asian Pacific Islanders have the least amount of income left after housing costs as renters ($601).
- 41% of Black/African American Transgender people report experiencing homelessness at some point in their lives, more than 5 times the national average.

The racial inequities that exist in Los Angeles are not accidental – they are the result of various historic, systemic, and socioeconomic factors, including biased and discriminatory government decisions, policies, and practices. Racial profiling is defined as, "any police-initiated action that relies on the race, ethnicity, or national origin, rather than the behavior of an individual or information that leads the police to a particular individual who has been identified as being, or having been, engaged in criminal activity, "as defined by Risse, Mathias; Richard Zechauser "Racial Profiling". Philosophy and Public Affairs. " In 1987, the Los Angeles Police Department (LAPD) launched Operation Hammer to aggressively eradicate gang violence in Los Angeles, targeting South L.A. in particular. By 1990, over 50,000 individuals were arrested in raids, primarily Black men and women. Of these arrests, few resulted in felony arrests or charges filed, increasing criticism of the operation and underscoring the legacy of racial profiling in Los Angeles.

There is also a legacy of discriminatory policies and practices in Los Angeles' land use and housing development practices. Historically, there has been a resistance to citywide inclusionary housing measures in new residential developments, further shrinking the availability of affordable housing units. Such resistance has disproportionately impacted low-income communities and POC. As a result, thousands of affordable housing units have been lost, displacing significant numbers of low-income residents and POC.

Throughout its history, many of L.A.'s decisions have excluded certain communities and populations and resulted in an inequitable distribution of opportunity, housing, and even justice. These inequities have been perpetuated by the systems and structures established and maintained by government. If government played a role in creating and maintaining the racial inequities that L.A. sees today, it should play a role in eliminating them.

City government can play a productive role in addressing racial barriers and this has been evident in various policies already. The month of October in the City of Los Angeles was declared embRACELA month. With the help of Community Coalition, dinners were held with the purpose of unifying Angelenos

P/C

and empowering communities through citywide conversations about race and racism in Los Angeles. Another example is the Los Angeles Clean Up Green Up Ordinance introduced in 2012 by residents and environmental justice organizations, provided the resources, regulations, and processes to address and mitigate current and future toxic contaminants from industry, freeways, and other land uses disproportionately impacting communities of color in Boyle Heights, Pacoima, Sun Valley, and Wilmington.

In addition to the productive role city government can and has played in addressing racial disparities, L.A. is in a crucial moment where demographic shifts, changes in neighborhoods, current and upcoming development projects, and future policies can exacerbate racial inequities even further, intensifying the urgency for the City to step in now. Within its jurisdiction, L.A. can make a positive impact towards racial equity when it comes to employment, economic development, housing, environmental health, community resources, law enforcement, land use, and civic participation.

If Los Angeles is to live up to its civic ideals, it must move to become a model city that addresses racial inequity in a constructive and proactive way. A key factor in improving the lives of all Angelenos is the establishment of racial equity as a core principle within all aspects of City government including services, programs, policies, and allocation of budget resources. Guided by the principle of racial equity, City government would work to form strong and sustainable partnerships and relationships with residents and communities that have been most impacted by racial inequities. L.A. would benefit from a dedicated office that works to create a Los Angeles where structural barriers are eliminated, opportunity and resources are fairly and justly distributed, and where all Angelenos are included, empowered, and fully participate civically. Currently, various City offices and departments are incorporating measures and initiatives to address racial inequities in their respective areas; however, no centralized hub exists to coordinate these efforts, monitor progress, and maximize racial equity impacts for Los Angeles as a whole.

WE THEREFORE MOVE, that the City Council INSTRUCT the Chief Legislative Analyst (CLA) and the City Administrative Officer (CAO) to report back on establishing an Office of Racial Equity (ORE) that would have the mission of ensuring that the City plays a proactive role in advancing racial equity through policy and programs.

WE FURTHER MOVE, that as part of the report, the CLA/CAO include a review of offices of equity and related offices in other jurisdictions to inform the scope of work and structure for the proposed ORE and consult community partners leading racial equity work in L.A. through the embRACE LA initiative.

WE FURTHER MOVE, that the CLA/CAO report include an analysis of the staffing and budget required for the ORE to have at a minimum, five functions:

1. **Policy analysis and research**: Assess the racial equity impact of existing and/or proposed policies and/or practices applicable to any City or departmental decision, including the development and application of a Racial Equity Impact Tool and an Equitable Budgeting Tool.
2. **Data Monitoring, Tracking, and Evaluation:** Work with City staff to establish and publicly share key racial equity indicators that it would regularly monitor and track via a racial equity dashboard and an annual racial equity report.
3. **Civic engagement:** Improve the civic engagement of populations and communities that have historically low rates of participation. Specifically, collaborate with residents, elected officials, City departments, and City commissions to improve the standards and implement policies and practices that make public participation opportunities more accessible. Coordinate and facilitate trainings for residents in their communities to build their civic capacity, civic knowledge, and sense of political empowerment.
4. **Technical assistance and training:** Support the training of LA City staff on racial equity, such training would provide an overview of key racial equity concepts including, but not limited to, the history of inequality and discrimination, systemic racism, implicit bias, the role of local government in racial equity and the current state of racial equity in Los Angeles. Furthermore, provide technical

assistance to support the development and implementation of a racial equity action plan for L.A. The racial equity action plan would include a racial equity vision, theory of change, set of strategies and actions to accomplish the vision, and performance indicators to track progress.

5. **Community Racial Equity Advisory Committee:** Staff and coordinate a Community Advisory Committee (Committee) that would serve to inform and advise the work of the ORE, as well as hold it accountable to communities most impacted by racial inequities. The Committee would review the racial equity action plan, racial equity impact assessments, and data presented in the racial equity dashboard. Members of the Committee would consist of community residents most impacted by racial inequities.

Presented by:

HERB J. WESSON, JR.
Councilmember, 10th District

MITCH O'FARRELL
Councilmember, 13th District

MARQUECCE HARRIS-DAWSON
Councilmember, 8th District

Seconded by:

ORIGINAL

19-0002-S115

Just Cause Evictions/Tenant Protections

File # :	19-0002-S115 re: AB 1481
Title :	Just Cause Evictions/Tennant Protections
Type :	Resolution
City/State :	Los Angeles City Council re: California State Assembly

Summary :	AB 1481 would, with certain exceptions, prohibit a lessor of residential property from terminating the lease without just cause. Evictions without just cause or access to legal representation diminishes due process, leaving vulnerable families without opportunity to fight any unilateral action of retaliation by landlords. Several California cities, including Los Angeles, have passed a form of tenant protections which require "just cause" eviction. The bill defines just cause as failure to pay rent, breach of lease, nuisance, waste and illegal conduct, while also allowing for "no fault just cause" evictions for cases in which the owner intends to occupy their property, demolish their property or take the property off the rental market. Extending just cause protections throughout the state would protect families from emotional and financial distress, preserve the social fabric of communities, and protect individuals from the risk of homelessness.

Resolution :	NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 State Legislative Program SUPPORT for AB 1481 (Grayson - Bonta) which would require a landlord to have just cause to evict a tenant.

GR Position :	Government Relations Committee UNANIMOUSLY SUPPORTS a CIS in Favor of the Resolution
Vote :	7 "Yes," 0 "No," 0 "Abstain"

"**YES**" Vote:	A "**YES**" vote would be **in <u>favor</u> of a CIS to <u>support</u> the Resolution** to support AB 1481, which would prohibit residential evictions without just cause. **YES = YES on the Resolution** **YES = YES on AB 1481**

"**NO**" Vote:	A "NO" vote would be **in <u>opposition</u> of a CIS to support the Resolution** to support AB 1481, which would prohibit residential evictions without just cause. **NO = NO on the Resolution** **NO = NO on AB 1481**

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, existing California law requires a 60-day eviction notice to terminate a tenancy if the tenant has occupied a unit for more than a year, while periodic rental agreements, such as month-to-month tenancies, only require a 30-day eviction notice; and

WHEREAS, both cases do not require a landlord to state a reason for the eviction; and

WHEREAS, eviction without just cause or access to legal representation diminishes due process, leaving vulnerable families without opportunity to fight any unilateral action or retaliation by landlords; and

WHEREAS, in the context of the housing crisis, existing law places rent-burdened households in a precarious position whereby they may be evicted and forced to relocate to new accommodations in a high-cost rental market with limited resources and time; and

WHEREAS, several California cities, including Los Angeles, have passed a form of tenant protections which require a "just cause" eviction, allowing for eviction only in the case of breach of lease or similar cases; and

WHEREAS, currently pending before the California State Legislature is AB 1481 (Grayson - Bonta) which would require a landlord to have just cause to evict a tenant; and

WHEREAS, the bill defines just cause as failure to pay rent, breach of the lease, nuisance, waste, and illegal conduct; and

WHEREAS, the bill also allows for no fault just cause evictions for cases in which the owner intends to occupy their property, demolish their property, or take their property off the rental market; and

WHEREAS, no cause evictions result in the displacement of communities, disproportionately affect communities of color, and push families into homelessness; and

WHEREAS, extending just cause protections throughout the State would protect families from emotional and financial distress, preserve the social fabric of communities, and protect all individuals from the risk of homelessness;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 State Legislative Program SUPPORT for AB 1481 (Grayson - Bonta) which would require a landlord to have just cause to evict a tenant.

PRESENTED BY: _____
MITCH O'FARRELL
Councilmember, 13th District

JUN 26 2019

SECONDED BY: _____

abg

AMENDED IN ASSEMBLY MAY 20, 2019

AMENDED IN ASSEMBLY APRIL 23, 2019

AMENDED IN ASSEMBLY MARCH 28, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL No. 1481

Introduced by ~~Assembly Member~~ *Assembly Members Grayson and* Bonta
(Coauthor: Assembly Member Carrillo)

February 22, 2019

An act to add *and repeal* Section 1946.2 ~~to~~ *of* the Civil Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1481, as amended, ~~Bonta~~ *Grayson*. Tenancy termination: just cause.

Existing law specifies that a hiring of residential real property, for a term not specified by the parties, is deemed to be renewed at the end of the term implied by law unless one of the parties gives written notice to the other of that party's intention to terminate. Existing law requires an owner of a residential dwelling to give notice at least 60 days prior to the proposed date of termination, or at least 30 days prior to the proposed date of termination if any tenant or resident has resided in the dwelling for less than one year, as specified. Existing law requires any notice given by an owner to be given in a prescribed manner, to contain certain information, and to be formatted, as specified.

This bill would, with certain exceptions, prohibit a lessor of residential property from terminating the lease without just cause, as defined, stated in the written notice to terminate.

This bill would require, for curable violations, that the lessor give a notice of violation and an opportunity to cure the violation prior to issuing the notice of termination.

This bill would require, for no-fault just cause terminations, as specified, that the lessor assist ~~the lessee~~ *certain lessees* to relocate, regardless of the lessee's income, by providing a direct payment to the ~~lessee.~~ *lessee, per a specified formula.*

This bill would require a lessor of residential property to provide notice to a lessee of the lessee's rights under these provisions at the beginning of the tenancy by providing an addendum to the lease to be signed by the lessee when the lease agreement is signed.

This bill would not prevent local rules or ordinances that provide a higher level of tenant protection, as specified.

This bill would repeal these provisions as of January 1, 2030.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 1946.2 is added to the Civil Code, to read:

1946.2. (a) Notwithstanding any other law, no lessor of residential property, ~~that the tenant has occupied with or without a written lease agreement,~~ *in which the tenant has occupied the property, with or without a written lease agreement, for six months or more,* shall terminate the lease without just cause, which shall be stated in the written notice to terminate tenancy set forth in Section 1946.1.

(b) For purposes of this section, "just cause" includes either of the following:

(1) At-fault just cause, which includes any of the following:

(A) Failure to pay rent.

(B) Substantial breach of a material term of the rental agreement, including, but not limited to, violation of a provision of the lease after being issued a written notice to stop the violation.

(C) Nuisance.

(D) Waste.

(E) Refusal, by the tenant to sign a new lease that is identical to the previous lease, after the previous lease expired.

(F) Illegal conduct, including, but not limited to, using the residential property for criminal activity. However, a charge or conviction for a crime that is unrelated to the tenancy is not at-fault just cause for termination of the hiring.

(2) No-fault just cause, which includes any of the following:

(A) (i) Owner intent to occupy the residential property.

(ii) Clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease agreement allows the owner to terminate the lease if the owner unilaterally decides to occupy the residential property.

(B) Withdrawal of the residential property from the rental market.

(C) Unsafe habitation, as determined by a government agency that has issued an order to vacate, order to comply, or other order that necessitates vacating the residential property.

(D) Intent to demolish or to substantially remodel.

(c) Before a lessor of residential property issues a lessee a notice to terminate tenancy for just cause that is a curable lease violation, the lessor shall first give notice of the violation to the lessee with an opportunity to cure the violation.

(d) If a lessor of residential property issues a notice to terminate tenancy for no-fault just cause, the lessor shall assist the lessee, regardless of the lessee's income, to relocate by providing a direct payment to the lessee. ~~The amount of this payment shall be determined based upon the number of bedrooms contained on the residential property.~~ If a lessor issues a notice to terminate tenancy for no-fault just cause, the lessor shall notify the lessee of the lessee's right to relocation assistance pursuant to this section.

(1) The amount of relocation assistance shall be determined as follows:

(A) If the lessee has resided in the rental property for six months or more, but less than two years, the amount shall be equal to two months' rent.

(B) If the lessee has resided in the rental property for two years or more, the amount shall be equal to three months' rent.

(2) This subdivision shall not apply to a lessor who is a natural person and who leases four or fewer single-family residences.

(e) This section shall not apply to the following types of residential properties or residential circumstances:

(1) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940.

(2) Housing accommodations in a nonprofit hospital, religious facility, or extended care facility.

(3) Dormitories owned and operated by an institution of higher education or a kindergarten through grade 12 school.

(4) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential property.

(5) Single owner-occupied residences, including a residence in which the owner-occupant rents or leases two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.

(f) A lessor of residential property shall provide notice to a lessee of the lessee's rights under this section at the beginning of the tenancy by providing an addendum to the lease which shall be signed by the lessee when the lease agreement is signed.

(g) This section does not prevent the enforcement of an existing local rule or ordinance, or the adoption of a local rule or ordinance, that requires just cause for termination of a residential tenancy that further limits or specifies the allowable reasons for eviction, requires longer notice or additional procedures for evicting tenants, provides for higher relocation assistance amounts, or is determined to provide a higher level of tenant protections than this section.

(h) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

O

19-0002-S135

Secure and Fair Enforcement (SAFE) Banking Act

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, through either legislative action or voter referendum, 46 states have laws permitting or decriminalizing cannabis or cannabis-based products; and

WHEREAS, California voters overwhelmingly approved the full legalization of adult-use cannabis via Proposition 64 in 2016; and

WHEREAS, the federal government still considers cannabis an illegal substance under the Controlled Substances Act and continues to prosecute its possession and use even in states where it is legal; and

WHEREAS, persons who engage in state permitted cannabis business operations are prevented from accessing financial services due to federal policy; and

WHEREAS, the lack of access to financial services has forced the cannabis industry to operate on an all cash basis, creating security and public safety issues for cannabis businesses as well as the government offices and industries that serve them; and

WHEREAS, HR. 1595 and S.1200, also known as the Secure And Fair Enforcement (SAFE) Banking Act of 2019, is currently pending in the U.S. House and Senate and would allow depository institutions to offer financial services to legitimate cannabis industry operators without the threat of federal prosecution; and

WHEREAS, allowing licensed cannabis businesses access to financial services will increase their security and facilitate greater public safety in the cities and states that license them;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2018-2019 State Legislative Program SUPPORT for HR. 1595 and S. 1200, also known as the SAFE Banking Act of 2019, which would allow the cannabis industry to access financial services without the service providers being subjected to possible federal prosecution.

PRESENTED BY: Paul Krekorian

PAUL KREKORIAN
Councilmember, 2nd District

JUL 0 3 2019

SECONDED BY:

ORIGINAL

CONGRESS.GOV

H.R.1595 - SAFE Banking Act of 2019

116th Congress (2019-2020) | Get alerts

Sponsor: Rep. Perlmutter, Ed [D-CO-7] (Introduced 03/07/2019)
Committees: House - Financial Services; Judiciary
Committee Reports: H. Rept. 116-104
Latest Action: House - 06/05/2019 Placed on the Union Calendar, Calendar No. 78. (All Actions)
Tracker: **Introduced** Passed House Passed Senate To President Became Law

Summary(0) **Text(2)** Actions(11) Titles(5) Amendments(0) Cosponsors(206) Committees(2) Related Bills(1)

There are 2 versions: Reported in House (06/05/2019) ▼

Text available as: XML/HTML | XML/HTML (new window) | TXT | PDF (PDF provides a complete and accurate display of this text.) ?

Shown Here:
Reported in House (06/05/2019)

Union Calendar No. 78

116TH CONGRESS
1ST SESSION

H. R. 1595

[Report No. 116–104, Part I]

To create protections for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2019

Mr. PERLMUTTER (for himself, Mr. HECK, Mr. STIVERS, Mr. DAVIDSON of Ohio, Mr. AGUILAR, Ms. BARRAGÁN, Mr. BEYER, Mr. BLUMENAUER, Ms. BONAMICI, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. BROWN of Maryland, Ms. BROWNLEY of California, Mr. CARBAJAL, Mr. CÁRDENAS, Mr. CARTWRIGHT, Ms. CASTOR of Florida, Mr. CICILLINE, Mr. CISNEROS, Ms. CLARK of Massachusetts, Ms. CLARKE of New York, Mr. COHEN, Mr. COOPER, Mr. CORREA, Mr. COURTNEY, Mr. COX of California, Mr. CRIST, Mr. CROW, Mrs. DAVIS of California, Mr. DEFAZIO, Ms. DEGETTE, Ms. DELAURO, Ms. DELBENE, Mr. DESAULNIER, Ms. ESHOO, Mr. ESPAILLAT, Mr. FOSTER, Ms. FUDGE, Ms. GABBARD, Mr. GALLEGO, Mr. GARCÍA of Illinois, Mr. GOMEZ, Mr. GONZALEZ of Texas, Mr. HASTINGS, Ms. HILL of California, Mr. HORSFORD, Mr. HUFFMAN, Ms. JACKSON LEE, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. KHANNA, Mr. KILMER, Mrs. KIRKPATRICK, Mr. KRISHNAMOORTHI, Mr. LAWSON of Florida, Ms. LEE of California, Mrs. LEE of Nevada, Mr. LEVIN of Michigan, Mr. LEVIN of California, Mr. TED LIEU of California, Mr. LUJÁN, Ms. MATSUI, Ms. MCCOLLUM, Mr. MCGOVERN, Mr. MEEKS, Mr. NEGUSE, Ms. NORTON, Mr. PANETTA, Mr. PAPPAS, Ms. PINGREE, Ms. PORTER, Mr. QUIGLEY, Mr. RASKIN, Mr. RUSH, Mr. RYAN, Mr. ROUDA, Ms. SCHAKOWSKY, Mr. SCHRADER, Mr. SHERMAN, Mr. SIRES, Mr. SMITH of Washington, Mr. SOTO, Ms. SPEIER, Mr. SWALWELL of California, Ms. TITUS, Mrs. TORRES of California, Mr. VARGAS, Ms. VELÁZQUEZ, Mrs. WATSON COLEMAN, Mr. WELCH, Ms. WILD, Mr. YARMUTH, Mr. RODNEY DAVIS of Illinois, Mr. HUNTER, Mr. JOYCE of Ohio, Mr. NEWHOUSE, Mr. YOUNG, Mr. HIMES, Mr. LOEBSACK, Ms. LOFGREN, Mr. LOWENTHAL, Mrs. CAROLYN B. MALONEY of New York, Mr. SEAN PATRICK MALONEY of New York, Mr. TAKANO, Mr. THOMPSON of California, Mr. GAETZ, Mr. RIGGLEMAN, Mr. DAVID SCOTT of Georgia, Ms. WATERS, and Ms. SCHRIER) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JUNE 5, 2019

Additional sponsors: Mr. AMODEI, Mr. BALDERSON, Mr. POCAN, Mr. CONNOLLY, Mr. MCCLINTOCK, Mr. BERA, Mr. PASCRELL, Mr. LARSON of Connecticut, Mr. PETERS, Mr. STANTON, Mr. LARSEN of Washington, Ms. SÁNCHEZ, Mr. GRIJALVA, Mr. HARDER of California, Mr. SAN NICOLAS, Mr. HIGGINS of New York, Mr. GOLDEN, Mr. CASE, Ms. MENG, Mr. CASTRO of Texas, Mr. MOULTON, Ms. DEAN, Ms. HAALAND, Mr. EVANS, Ms. KUSTER of New Hampshire, Mr. KILDEE, Mr. NADLER, Mr. RUIZ, Mr. NEAL, Ms. PRESSLEY, Mr. LAMB, Ms. SLOTKIN, Mr.

DEUTCH, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. CLAY, Ms. STEVENS, Ms. WEXTON, Ms. SCANLON, Ms. BASS, Mrs. MURPHY, Mrs. LAWRENCE, Ms. SHERRILL, Mrs. BUSTOS, Mr. MCNERNEY, Mrs. LURIA, Mr. BRINDISI, Mr. STEUBE, Mr. TRONE, Mr. MASSIE, Mr. RESCHENTHALER, Mr. NORCROSS, Mr. UPTON, Mr. SARBANES, Mr. BANKS, Ms. FINKENAUER, Mrs. DINGELL, Ms. TLAIB, Ms. DAVIDS of Kansas, Mr. MEUSER, Mr. MALINOWSKI, Mr. ARMSTRONG, Mr. VELA, Mr. BISHOP of Georgia, Mr. GIBBS, Ms. MOORE, Mrs. AXNE, Mr. DELGADO, Ms. TORRES SMALL of New Mexico, Ms. KENDRA S. HORN of Oklahoma, Mr. VAN DREW, Ms. BLUNT ROCHESTER, Ms. SPANBERGER, Ms. HOULAHAN, Mr. KENNEDY, Ms. UNDERWOOD, Mr. JEFFRIES, Mr. COMER, Mr. GARAMENDI, Miss González-Colón of Puerto Rico, Mr. TONKO, Mr. BACON, Mr. PAYNE, Mr. THOMPSON of Mississippi, Ms. MUCARSEL-POWELL, Mr. SCHIFF, Ms. SHALALA, Ms. JUDY CHU of California, Ms. ROYBAL-ALLARD, Ms. ESCOBAR, Ms. ADAMS, Ms. FRANKEL, Mr. CASTEN of Illinois, Mr. GRAVES of Georgia, Mr. COLLINS of New York, Mr. GONZALEZ of Ohio, Mr. MORELLE, Mr. CLEAVER, and Mr. COSTA

JUNE 5, 2019

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

JUNE 5, 2019

Committee on the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on March 7, 2019]

A BILL

To create protections for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This Act may be cited as the "Secure And Fair Enforcement Banking Act of 2019" or the "SAFE Banking Act of 2019".

(b) PURPOSE.—The purpose of this Act is to increase public safety by ensuring access to financial services to cannabis-related legitimate businesses and service providers and reducing the amount of cash at such businesses.

SEC. 2. SAFE HARBOR FOR DEPOSITORY INSTITUTIONS.

(a) IN GENERAL.—A Federal banking regulator may not—

(1) terminate or limit the deposit insurance or share insurance of a depository institution under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), the Federal Credit Union Act (12 U.S.C. 1751 et seq.), or take any other adverse action against a depository institution under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) solely because the depository institution provides or has provided financial services to a cannabis-related legitimate business or service provider;

(2) prohibit, penalize, or otherwise discourage a depository institution from providing financial services to a cannabis-related legitimate business or service provider or to a State, political subdivision of a State, or Indian Tribe that exercises jurisdiction over cannabis-related legitimate businesses;

(3) recommend, incentivize, or encourage a depository institution not to offer financial services to an account holder, or to downgrade or cancel the financial services offered to an account holder solely because—

(A) the account holder is a cannabis-related legitimate business or service provider, or is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(B) the account holder later becomes an employee, owner, or operator of a cannabis-related legitimate business or service provider; or

(C) the depository institution was not aware that the account holder is an employee, owner, or operator of a cannabis-related legitimate business or service provider;

(4) take any adverse or corrective supervisory action on a loan made to—

(A) a cannabis-related legitimate business or service provider, solely because the business is a cannabis-related legitimate business or service provider;

(B) an employee, owner, or operator of a cannabis-related legitimate business or service provider, solely because the employee, owner, or operator is employed by, owns, or operates a cannabis-related legitimate business or service provider, as applicable; or

(C) an owner or operator of real estate or equipment that is leased to a cannabis-related legitimate business or service provider, solely because the owner or operator of the real estate or equipment leased the equipment or real estate to a cannabis-related legitimate business or service provider, as applicable; or

(5) prohibit or penalize a depository institution (or entity performing a financial service for or in association with a depository institution) for, or otherwise discourage a depository institution (or entity performing a financial service for or in association with a depository institution) from, engaging in a financial service for a cannabis-related legitimate business or service provider.

(b) SAFE HARBOR APPLICABLE TO DE NOVO INSTITUTIONS.—Subsection (a) shall apply to an institution applying for a depository institution charter to the same extent as such subsection applies to a depository institution.

SEC. 3. PROTECTIONS FOR ANCILLARY BUSINESSES.

For purposes of sections 1956 and 1957 of title 18, United States Code, and all other provisions of Federal law, the proceeds from a transaction conducted by a cannabis-related legitimate business or service provider shall not be considered as proceeds from an unlawful activity solely because the transaction was conducted by a cannabis-related legitimate business or service provider, as applicable.

SEC. 4. PROTECTIONS UNDER FEDERAL LAW.

(a) IN GENERAL.—With respect to providing a financial service to a cannabis-related legitimate business or service provider within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable, a depository institution, entity performing a financial service for or in association with a depository institution, or insurer that provides a financial service to a cannabis-related legitimate business or service provider, and the officers, directors, and employees of that depository institution, entity, or insurer may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a financial service; or

(2) for further investing any income derived from such a financial service.

(b) PROTECTIONS FOR FEDERAL RESERVE BANKS.—With respect to providing a service to a depository institution that provides a financial service to a cannabis-related legitimate business or service provider (where such financial service is provided within a State, political subdivision of a State, or Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis pursuant to a law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country, as applicable), a Federal reserve bank, and the officers, directors, and employees of the Federal reserve bank, may not be held liable pursuant to any Federal law or regulation—

(1) solely for providing such a service; or

(2) for further investing any income derived from such a service.

(c) FORFEITURE.—

(1) DEPOSITORY INSTITUTIONS.—A depository institution that has a legal interest in the collateral for a loan or another financial service provided to an owner, employee, or operator of a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to a cannabis-related legitimate business or service provider, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

(2) FEDERAL RESERVE BANKS.—A Federal reserve bank that has a legal interest in the collateral for a loan or another financial service provided to an owner, employee, or operator of a depository institution that provides a financial services to a cannabis-related legitimate business or service provider, or to an owner or operator of real estate or equipment that is leased or sold to such a depository institution, shall not be subject to criminal, civil, or administrative forfeiture of that legal interest pursuant to any Federal law for providing such loan or other financial service.

SEC. 5. RULE OF CONSTRUCTION.

Nothing in this Act shall require a depository institution, entity performing a financial service for or in association with a depository institution, or insurer to provide financial services to a cannabis-related legitimate business or service provider.

SEC. 6. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY REPORTS.

Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

"(5) REQUIREMENTS FOR CANNABIS-RELATED LEGITIMATE BUSINESSES.—

"(A) IN GENERAL.—With respect to a financial institution or any director, officer, employee, or agent of a financial institution that reports a suspicious transaction pursuant to this subsection, if the reason for the report relates to a cannabis-related legitimate business or service provider, the report shall comply with appropriate guidance issued by the Financial Crimes Enforcement Network. The Secretary shall ensure that the guidance is consistent with the purpose and intent of the SAFE Banking Act of 2019 and does not significantly inhibit the provision of financial services to a cannabis-related legitimate business or service provider in a State, political subdivision of a State, or Indian country that has allowed the cultivation, production, manufacture, transportation, display, dispensing, distribution, sale, or purchase of cannabis pursuant to law or regulation of such State, political subdivision, or Indian Tribe that has jurisdiction over the Indian country.

"(B) DEFINITIONS.—For purposes of this paragraph:

"(i) CANNABIS.—The term 'cannabis' has the meaning given the term 'marihuana' in section 102 of the Controlled Substances Act (21 U.S.C. 802).

"(ii) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term 'cannabis-related legitimate business' has the meaning given that term in section 11 of the SAFE Banking Act of 2019.

"(iii) INDIAN COUNTRY.—The term 'Indian country' has the meaning given that term in section 1151 of title 18.

"(iv) INDIAN TRIBE.—The term 'Indian Tribe' has the meaning given that term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).

"(v) FINANCIAL SERVICE.—The term 'financial service' has the meaning given that term in section 11 of the SAFE Banking Act of 2019.

"(vi) SERVICE PROVIDER.—The term 'service provider' has the meaning given that term in section 11 of the SAFE Banking Act of 2019.

"(vii) STATE.—The term 'State' means each of the several States, the District of Columbia, Puerto Rico, and any territory or possession of the United States.".

SEC. 7. GUIDANCE AND EXAMINATION PROCEDURES.

Not later than 180 days after the date of enactment of this Act, the Financial Institutions Examination Council shall develop uniform guidance and examination procedures for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers.

SEC. 8. ANNUAL DIVERSITY AND INCLUSION REPORT.

The Federal banking regulators shall issue an annual report to Congress containing—

(1) information and data on the availability of access to financial services for minority-owned and women-owned cannabis-related legitimate businesses; and

(2) any regulatory or legislative recommendations for expanding access to financial services for minority-owned and women-owned cannabis-related legitimate businesses.

SEC. 9. GAO STUDY ON DIVERSITY AND INCLUSION.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on the barriers to marketplace entry, including in the licensing process, and the access to financial services for potential and existing minority-owned and women-owned cannabis-related legitimate businesses.

(b) REPORT.—The Comptroller General shall issue a report to the Congress—

(1) containing all findings and determinations made in carrying out the study required under subsection (a); and

(2) containing any regulatory or legislative recommendations for removing barriers to marketplace entry, including in the licensing process, and expanding access to financial services for potential and existing minority-owned and women-owned cannabis-related legitimate businesses.

SEC. 10. GAO STUDY ON EFFECTIVENESS OF CERTAIN REPORTS ON FINDING CERTAIN PERSONS.

Not later than 2 years after the date of the enactment of this Act, the Comptroller General of the United States shall carry out a study on the effectiveness of reports on suspicious transactions filed pursuant to section 5318(g) of title 31, United States Code, at

finding individuals or organizations suspected or known to be engaged with transnational criminal organizations and whether any such engagement exists in a State, political subdivision, or Indian Tribe that has jurisdiction over Indian country that allows the cultivation, production, manufacture, sale, transportation, display, dispensing, distribution, or purchase of cannabis. The study shall examine reports on suspicious transactions as follows:

(1) During the period of 2014 until the date of the enactment of this Act, reports relating to marijuana-related businesses.

(2) During the 1-year period after date of the enactment of this Act, reports relating to cannabis-related legitimate businesses.

SEC. 11. DEFINITIONS.

In this Act:

(1) BUSINESS OF INSURANCE.—The term "business of insurance" has the meaning given such term in section 1002 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5481).

(2) CANNABIS.—The term "cannabis" has the meaning given the term "marihuana" in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(3) CANNABIS PRODUCT.—The term "cannabis product" means any article which contains cannabis, including an article which is a concentrate, an edible, a tincture, a cannabis-infused product, or a topical.

(4) CANNABIS-RELATED LEGITIMATE BUSINESS.—The term "cannabis-related legitimate business" means a manufacturer, producer, or any person or company that—

(A) engages in any activity described in subparagraph (B) pursuant to a law established by a State or a political subdivision of a State, as determined by such State or political subdivision; and

(B) participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

(5) DEPOSITORY INSTITUTION.—The term "depository institution" means—

(A) a depository institution as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) a Federal credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752); or

(C) a State credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(6) FEDERAL BANKING REGULATOR.—The term "Federal banking regulator" means each of the Board of Governors of the Federal Reserve System, the Bureau of Consumer Financial Protection, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network, the Office of Foreign Asset Control, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Department of the Treasury, or any Federal agency or department that regulates banking or financial services, as determined by the Secretary of the Treasury.

(7) FINANCIAL SERVICE.—The term "financial service"—

(A) means a financial product or service, as defined in section 1002 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5481);

(B) includes the business of insurance;

(C) includes, whether performed directly or indirectly, the authorizing, processing, clearing, settling, billing, transferring for deposit, transmitting, delivering, instructing to be delivered, reconciling, collecting, or otherwise effectuating or facilitating of payments or funds, where such payments or funds are made or transferred by any means, including by the use of credit cards, debit cards, other payment cards, or other access devices, accounts, original or substitute checks, or electronic funds transfers;

(D) includes acting as a money transmitting business which directly or indirectly makes use of a depository institution in connection with effectuating or facilitating a payment for a cannabis-related legitimate business or service provider in compliance with section 5330 of title 31, United States Code, and any applicable State law; and

(E) includes acting as an armored car service for processing and depositing with a depository institution or the Board of Governors of the Federal Reserve System with respect to any monetary instruments (as defined under section 1956(c)(5) of title 18, United States Code.

(8) INDIAN COUNTRY.—The term "Indian country" has the meaning given that term in section 1151 of title 18.

(9) INDIAN TRIBE.—The term "Indian Tribe" has the meaning given that term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).

(10) INSURER.—The term "insurer" has the meaning given that term under section 313(r) of title 31, United States Code.

(11) MANUFACTURER.—The term "manufacturer" means a person who manufactures, compounds, converts, processes, prepares, or packages cannabis or cannabis products.

(12) PRODUCER.—The term "producer" means a person who plants, cultivates, harvests, or in any way facilitates the natural growth of cannabis.

(13) SERVICE PROVIDER.—The term "service provider"—

(A) means a business, organization, or other person that—

(i) sells goods or services to a cannabis-related legitimate business; or

(ii) provides any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to cannabis; and

(B) does not include a business, organization, or other person that participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

(14) STATE.—The term "State" means each of the several States, the District of Columbia, Puerto Rico, and any territory or possession of the United States.

Union Calendar No. 78

116TH CONGRESS
1ST SESSION

H. R. 1595

[Report No. 116–104, Part I]

A BILL

To create protections for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses, and for other purposes.

JUNE 5, 2019
Reported from the Committee on Financial Services with an amendment
JUNE 5, 2019
Committee on the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

File # :	19-0002-S135 re: H.R. 1595 & S.1200
Title :	Secure and Fair Enforcement (SAFE) Banking Act
Type :	Resolution
City/State :	Los Angeles City Council re: United States House of Representatives & Senate

Summary :	H.R. 1595 creates protections for depository institutions that provide financial services to cannabis-related legitimate businesses and service providers for such businesses. California persons who engage in state permitted cannabis business operations are prevented from accessing financial services due to federal policy. This lack of access to financial services has forced the cannabis industry to operate on an all cash basis, creating security and public safety issues for cannabis businesses and the government offices and industries that serve them. Allowing licensed cannabis businesses access to financial services will increase their security and facilitate greater public safety in cities and states that license them.

Type :	NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2018-2019 State Legislative Program SUPPORT for HR. 1595 and S. 1200, also known as the SAFE Banking Act of 2019, which would allow the cannabis industry to access financial services without the service providers being subjected to possible federal prosecution.

GR Position :	The Government Relations Committee SUPPORTS a CIS in favor of the Resolution.
Vote :	5 “Yes,” 0 “No,” 2 “Abstain”

“**YES**” Vote:	A “**YES**” vote would be **in <u>favor</u> of a CIS to <u>support</u> the Resolution** to support H.R. 1595 & S.1200 to create legal protections for depository institutions allowing them to take deposits from cannabis-related businesses. **YES = YES on the Resolution** **YES = YES on H.R. 1595 & S.1200**

“**NO**” Vote:	A “**NO**” vote would be **in <u>opposition</u> of a CIS to support the Resolution** to support H.R. 1595 & S.1200 to create legal protections for depository institutions allowing them to take deposits from cannabis-related businesses. **NO = NO on the Resolution** **NO = NO on H.R. 1595 & S.1200**